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Message Text

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ACTION COME-00

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UNCLAS VIENNA 01898

FOR COMMERCE/INVESTMENT POLICY DIVISION

E.O. 11652: N/A
TAGS: EINV, ECON, ELAB, ETRD, AU
SUBJECT: REQUEST FOR INFORMATION TO AID USG REVIEW OF
- INTERNATIONAL INVESTMENT POLICY

REF: STATE 037873

1. VIENNA'S A-20 OF JAN. 28, 1978, ENTITLED "THE CLIMATE FOR FOREIGN INVESTMENT IN AUSTRIA" WOULD APPEAR TO PROVIDE BASIC INFORMATION REQUESTED BY REFTEL EXCEPT FOR CERTAIN QUESTIONS ABOUT LABOR AND EMPLOYMENT ASPECTS. SUPPLEMENTARY INFORMATION ON LABOR AND EMPLOYMENT ASPECTS FOLLOWS.

2. AUSTRIAN LAWS AND REGULATIONS GOVERNING LABOR AND INDUSTRIAL RELATIONS APPLY EQUALLY TO DOMESTIC AND FOREIGN EMPLOYERS, AND NO PROVISIONS EXIST THAT WOULD EXEMPT FOREIGN INVESTORS FROM THE SYSTEM. TWO THIRDS OF THE AUSTRIAN LABOR FORCE IS ORGANIZED IN THE TRADE UNIONS. UNION MEMBERSHIP IS VOLUNTARY. UNIONS ARE VERY POWERFUL IN NEGOTIATIONS WITH THE COMMERCIAL AND INDUSTRIAL ASSOCIATIONS AT THE SECTIONAL OR "SOCIAL PARTNERSHIP" LEVEL AS WELL AS IN COLLECTIVE BARGAINING AT PLANT LEVEL. IN INTERNATIONAL STATISTICS ON REAL WAGE EARNINGS, AUSTRIA RANKS IN SIXTH PLACE AFTER THE UNITED STATES, UNCLASSIFIED

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CANADA, AUSTRALIA, SWITZERLAND AND THE NETHERLANDS. ACCORDING TO THE LATEST WAGE SURVEY CONDUCTED BY THE AUSTRIAN FEDERAL CHAMBER OF COMMERCE, ACTUAL HOURLY WAGES IN INDUSTRY AVERAGED AS 49.03 AND WERE 41.2 PERCENT ABOVE AVERAGE CONTRACTUAL MINIMUM WAGES IN SEPTEMBER 1977. ACTUAL WAGES ARE EXPECTED TO INCREASE ABOUT 6 PERCENT IN 1978. THE CHAMBER'S TRIENNIAL SURVEY OF LABOR COSTS IN

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INDUSTRY REVEALED THAT WAGE RELATED COSTS WERE 81.5 PERCENT IN ADDITION TO ACTUAL WAGES PAID IN 1975 AND ARE
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ESTIMATED TO BE 86 PERCENT IN 1978 DUE TO NEW PROVISIONS IN THE SOCIAL SECURITY LAW (MINIMUM FOUR WEEKS PAID ANNUAL LEAVE, PAID SICK LEAVE, HIGHER SOCIAL TAXES). THERE ARE NO GOVERNMENT PROGRAMS FOR WAGE SUBSIDIES OR OTHER LABOR COMPENSATION THAT WOULD BENEFIT INVESTORS.

3. GOVERNMENT FINANCED HOUSING MAY BE PROVIDED TO INDIVIDUALS AND SUBSIDIZED IF THE FAMILY INCOME IS BELOW STANDARDS, BUT IS NOT MADE AVAILABLE TO OR THROUGH ANY PRIVATE COMPANY. THE COMPULSORY SOCIAL SECURITY HEALTH INSURANCE SYSTEM COVERS MEDICAL SERVICES FOR WORKERS (50 PERCENT OF CONTRIBUTIONS BEING PAID BY THE EMPLOYERS). MEDICAL FACILITIES AND SERVICES AT PLANTS, IF REQUIRED, HAVE TO BE PROVIDED BY THE EMPLOYER. TRADE UNION ACTIVITIES AT PLANTS ARE DEFINED IN THE "LABOR CODIFICATION LAW" WHICH CAME INTO EFFECT ON JULY 1, 1974. IT PROVIDES FOR A ONE THIRD LABOR REPRESENTATION ON BOARDS OF SUPERVISORS.

4. EMBASSY IS POUCHING TO DOC/IPD ADDITIONAL COPY OF VIENNA A-20, AS WELL AS ENGLISH-LANGUAGE SUMMARY OF LABOR CODIFICATION LAW OF DECEMBER 14, 1973.
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5. CORRECTION: PARAGRAPH 2, LINE 8, FOURTH WORD FROM LEFT. REPLACE "SECTIONAL" WITH NATIONAL, RPT NATIONAL. WOLF

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